



WISCONSIN LEGISLATURE

P.O. BOX 8952 • MADISON, WI 53708

April 23, 2015

Secretary Julián Castro
United States Department of Housing & Urban Development
451 – 7th Street S.W.
Washington, DC 20410

Dear Secretary Castro,

We are writing to draw your attention to a decision made by the Department of Housing & Urban Development (HUD), which is having significant and immediate negative consequences for small businesses and employees in Western Wisconsin.

Recently, HUD notified the Wisconsin Department of Administration (DOA) that it must require the Regional Business Fund (RBF) funds to be classified as federal funds effective immediately.

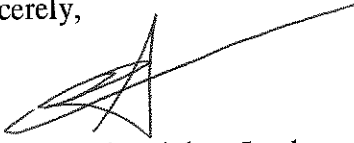
This action was taken even though a number of years ago HUD and the Wisconsin Department of Commerce (DOC) worked together to de-federalize the funds. With HUD's guidance and direction received from DOC, this occurred and RBF has been administering the funds as though they were de-federalized since that time. The de-federalization was further solidified as per a Memorandum of Understanding between RBF and DOC. This has allowed RBF to provide critical "gap" financing in numerous economic development projects. This has led to the creation of many family-sustaining jobs.

Now, HUD has changed its mind with no warning to RBF. This has had an immediate impact of businesses and employees. It has killed transactions, growth, and expansion of small businesses which has cost people job opportunities.

In addition, as we understand it, you are considering a requirement that businesses pay certain funds back immediately if the project did not comply with the Davis Bacon Law. This is completely unacceptable. The hardship imposed would be enormous.

I hope you will immediately take any action required to pause and/or reverse this harmful decision. We look forward to hearing from you.

Sincerely,



Representative Adam Jarchow
28th Assembly District



Representative Tom Larson
67th Assembly District



Representative Romaine Quinn
75th Assembly District



Representative Bob Kulp
69th Assembly District



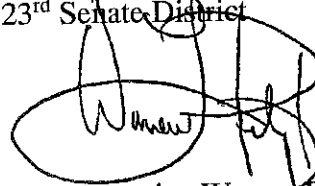
Representative John Murtha
29th Assembly District



Senator Sheila Harsdorf
10th Senate District



Senator Terry Moulton
23rd Senate District



Representative Warren Petryk
93rd Assembly District



Representative Dean Knudson
30th Assembly District



Representative Kathy Bernier
68th Assembly District

CC: United States Congressman Sean Duffy
United States Congressman Ron Kind
United States Senator Ron Johnson
United States Senator Tammy Baldwin
Beth Waldhart, West Central Wisconsin Regional Planning Commission, RBF
Secretary Scott Neitzel, Wisconsin Department of Administration
Secretary Reed Hall, Wisconsin Economic Development Corporation
Cindy Polzin, Office of Governor Scott Walker
Dave Armstrong, Executive Director, Barron County EDC
John Walton, Commissioner, Chippewa County EDC
Sheila Nyberg, Executive Director, Clark County EDC
Eric Turner, Director, Dunn County EDC
Luke Hanson, Executive Director, Eau Claire County EDC
Paul Schwebach, Executive Director, Pierce County EDC
Steven Healy, Director, Polk County EDC
Bill Rubin, Executive Director, St. Croix County EDC